

KEY FACTS

Investment Objective

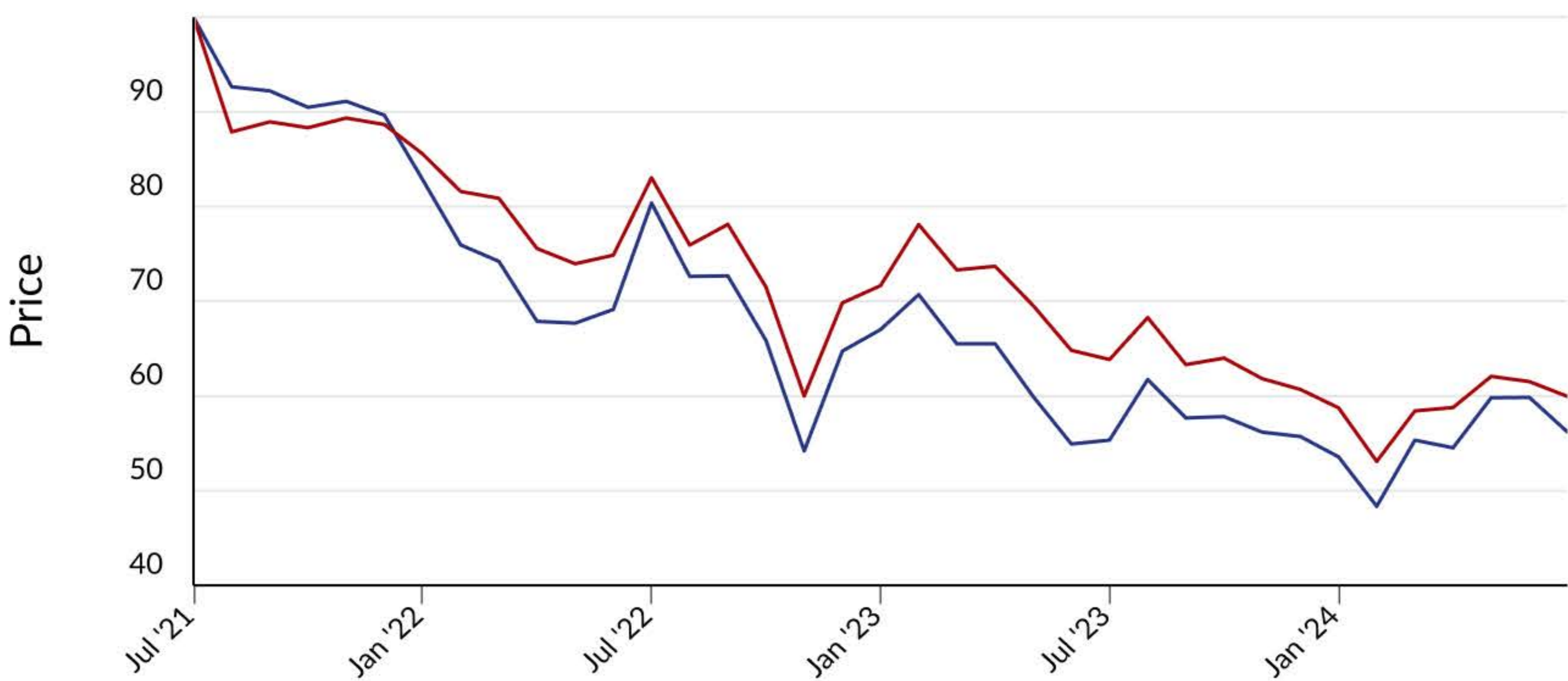
The Fund aims to achieve capital growth over the long term (5 years plus) and will invest at least 80% in shares of Chinese companies. These are companies which are quoted and listed on Chinese Stock Exchanges, including in A-Shares and B-Shares of such companies or which have their headquarters or a significant part of their activities in China but which are quoted on a regulated market elsewhere, as well as others which are, in the Investment Manager’s opinion, Chinese businesses. The Fund may be invested in any industry sector with the Investment Manager’s focus on growth companies expected to deliver increasing revenue and profit from the expansion of their business over the medium to long term. As part of its investment process, the Investment Manager integrates ESG factors into its routine analysis.

Fund Information

FUND NAME	SVS Aubrey China Fund	INCEPTION DATE	1st July 2021
LEGAL FORM	Open-Ended Investment Company (OEIC)	FUND SIZE	£7.8m
UMBRELLA	SVS Aubrey Capital Management Investment Funds	BENCHMARK	MSCI China All Share Index
ADMINISTRATOR	Evelyn Partners Fund Solutions Limited	PRICING FREQUENCY	Daily
DOMICILE	UK	MANAGERS	Andrew Dalrymple, John Ewart, Rob Brewis
CURRENCIES	GBP, USD, EUR		

NET PERFORMANCE

NET PERFORMANCE % AS AT 30/06/2024	1M	3M	6M	1Y	2023	2022	INCEPTION
SVS Aubrey China Fund	-6.1	3.0	4.9	1.5	-20.1	-19.1	-43.8
MSCI China All Share Index	-2.5	2.0	2.0	-6.1	-18.0	-16.3	-40.0



— SVS Aubrey China -43.8%
— MSCI China All Share Index -40.0%

Source: Aubrey Capital Management, MSCI and Evelyn Partners Fund Solutions Limited.

All figures are presented net of fees in GBP and calculated using the B Accumulation share class. MSCI China All Share Index is used for comparative purposes only. Investment returns may increase or decrease as a result of currency fluctuations. Past performance is no guarantee of future results. The ACD has selected this comparator benchmark as it believes this benchmark best reflects the Fund’s asset allocation.

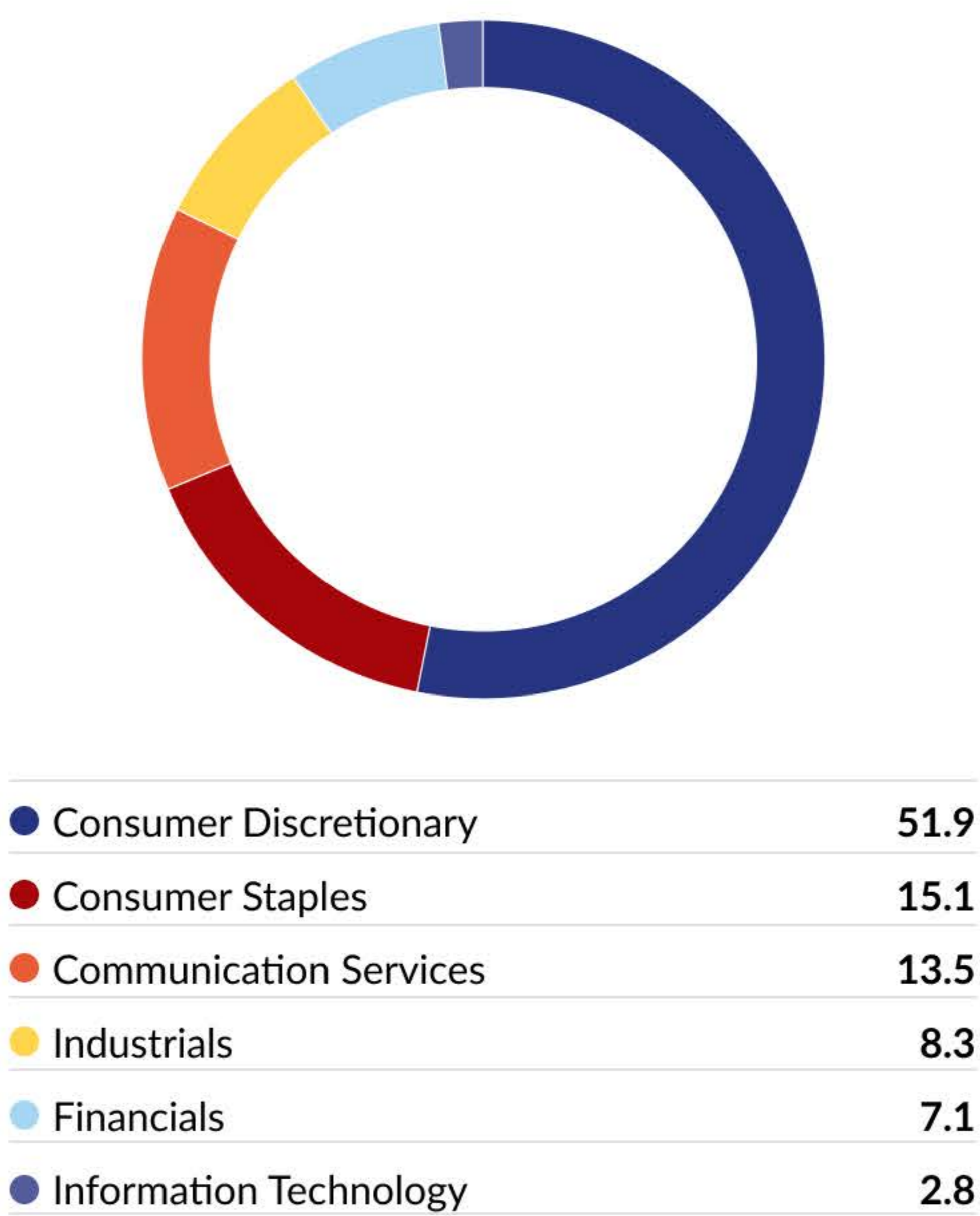
PORTFOLIO BREAKDOWN

Top 10 Positions

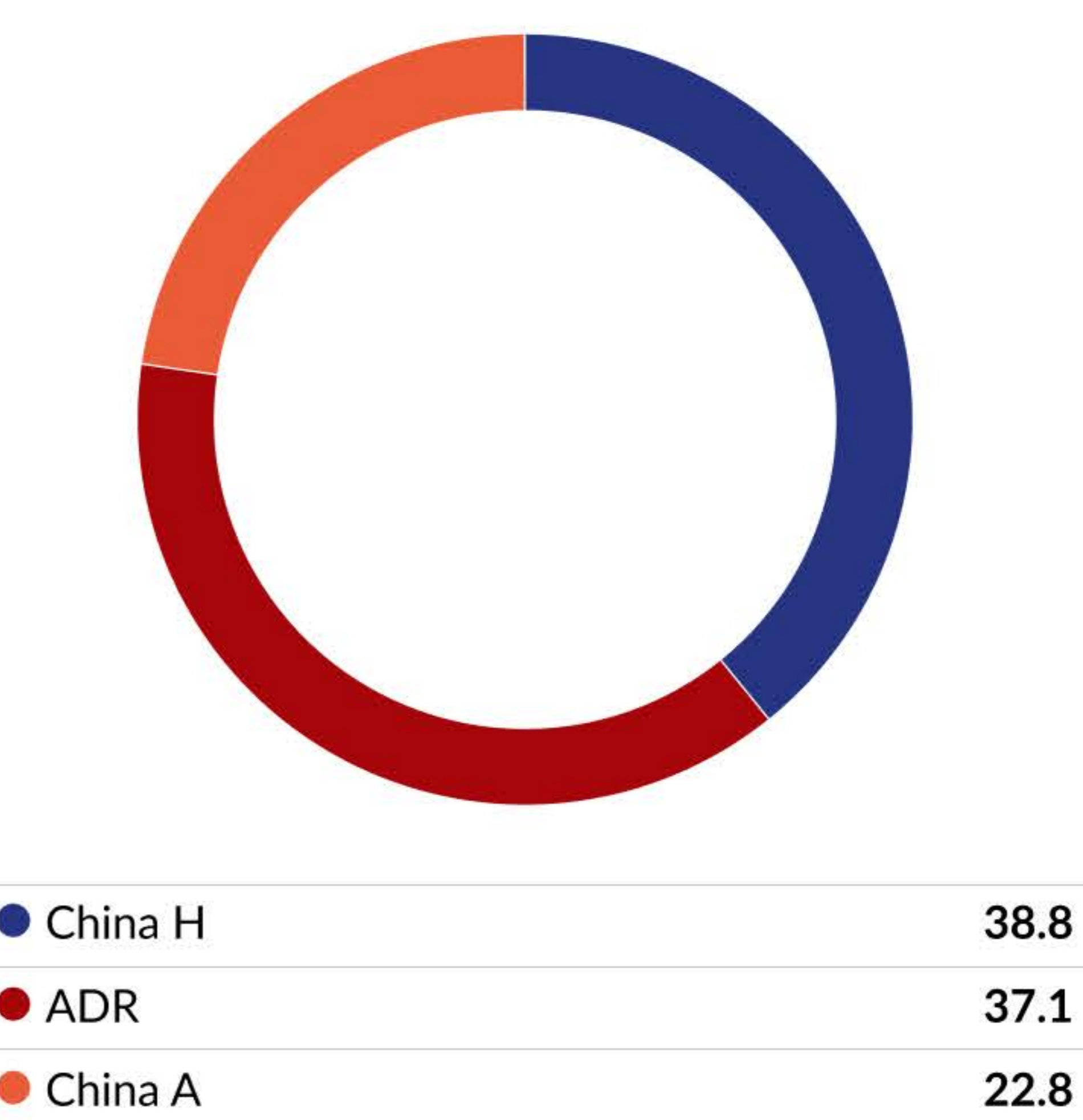
Company	% of Holding
Tencent	5.8
Pinduoduo	5.5
Meituan	4.8
Trip.com	4.7
Full Truck Alliance	4.4
Futu Holdings	4.3
Proya Cosmetics	4.3
BYD	4.2
Tencent Music	4.1
DiDi	3.9
Number of Holdings	28

The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.

Sector Allocation



Asset Allocation



MANAGER'S COMMENTARY

The China market began the quarter firmly, with the rally which began in January continuing into May. Thereafter, the market gave up much of the gains and ended the quarter up 2.0% in GBP terms. The Fund fared a little better with 3.0% gains during the period.

We visited several Chinese cities during the quarter, including Beijing, but spending more time in the Pearl River Delta cities of Shenzhen and Guangzhou, as well as Macau and Hong Kong. This southern economic powerhouse contains about 100 million people and accounts for around 10% of China's GDP. It is also home to a great many of the export industries, such as electric vehicles, batteries, electronics or medical equipment, which are proving to be one of the brighter parts of China's economy today. As such, it is perhaps misleading to extrapolate this to the whole of China, where we suspect there are more depressed places, but life looks normal here, with streets, pavements, shopping malls, restaurants well populated as ever.

At the margin, there may be a little less ostentatious flaunting of wealth, unless it comes to the latest electric car, where the transition to EVs in China has moved well beyond almost anywhere else in the world. This is partly due to the superiority of the product and the relatively low pricing which makes it almost untenable to consider a new internal combustion engine car. All the Didi taxis we used were electric. The problem for the sector is not demand, but excess supply, with new brands popping up constantly, including the new Xiaomi SU7, from what was previously only an electronics and mobile phone brand. This new product has sold very well, which is not surprising since it is really a supercar with a 700km range priced around \$40,000.

For the more mundane Chinese consumer, the feeling is still one of caution, spending on value for money products and entertainment, and experiences. Macau was busy on a Saturday night, but the clientele were more families and couples, less hard-nosed gamblers, and the casino takings reflect this. One of the most encouraging company meetings was relatively new holding, **Tencent Music Entertainment** (TME). This can best be described as the Spotify of China, with a dominant 70% share of music streaming. The Chinese have proved particularly reluctant to pay for music downloads but after several years of "encouragement", as well as moving ever more content beyond the "paywall", the paying ratio is gradually creeping up from 10% a few years ago, to over 17% today, and with it goes their earnings. A monthly subscription can start at 8 Renminbi (\$1.10), which seems reasonable for a much-improved service.

TME was top contributor over the period, closely followed by parent **Tencent**. Other strong contributors were **Gambol Pet Group** (pet food), **Bosideng** (down jackets) and **Pinduoduo**, who all cater for the specific areas of growth: pets (better lifestyle), local brands (better value), and value retail.

Economic support from the government in China has been very limited, and it is to be hoped that the impending Third Plenum in July produces something tangible. Support for the property market is proving ineffective as market forces dominate and pricing continues to soften. It is our suspicion is that the Chinese economy will continue to be sluggish for a while longer, but we continue to search for interesting areas of growth, and valuations for these opportunities remain very attractive. The China market began the quarter firmly, with the rally which began in January continuing into May. Thereafter, the market gave up much of the gains and ended the quarter up 2.0% in GBP terms. The Fund fared a little better with 3.0% gains during the period.

All reference to stock performance data is sourced by Aubrey through Bloomberg.

AVAILABLE SHARE CLASS PRICES

SHARE CLASS	PRICE	ISIN	BLOOMBERG	MANAGEMENT FEE*	ONGOING CHARGES FIGURE	MINIMUM SUBSCRIPTION	MIN. ADDITIONAL SUBSCRIPTION
B Acc GBP	56.19	GB00BNDMHS07	SVACBGA LN	0.75%	1.15%	GBP 5,000	GBP 5,000
I Acc GBP	56.44	GB00BNDMHW43	SVSACGA LN	0.60%	1.00%	GBP 50,000,000	No Minimum

Prices in pence/cents
Ongoing charges figure (OCF) is based upon the expenses incurred but does not include transaction costs. The transaction costs for 2023 were 0.18%.
*Management fee includes Aubrey's fee and excludes ACD fee.

CONTACTS

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ENVIRONMENTAL, SOCIAL & GOVERNANCE

Aubrey bases its measures for ESG analysis on the United Nations Global Compact. This framework provides us with a foundation for assessing corporate sustainability where we focus our analysis on four themes:

- 1. Human Rights: Companies should respect the internationally declared human rights laws.
- 2. Labour: Elimination of discrimination in the workplace as well as all forms of forced labour.
- 3. Environment: Encourage companies to develop and create initiatives that promote sustainability.
- 4. Anti-Corruption: Businesses should eliminate corruption in all forms, including bribery.

Signatory of:



IMPORTANT INFORMATION

This is a marketing communication issued by Aubrey Capital Management Limited who are authorised and regulated by the Financial Conduct Authority. Please refer to the prospectus and the KIID before making any final investment decisions and if you are still unsure, seek independent professional advice. Investors in the Fund are exposed to fluctuations in the Fund’s value, which can go down as well as up, and may be subject to significant volatility due to market conditions and changes in foreign exchange rates. Past investment performance is not an indication of future performance. As the Fund aims to invest in just one country, it may be more volatile than a geographically diversified portfolio.

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PLATFORMS

M&G

MARKETING COMMUNICATION